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ABSTRACT

This paper is a capsule statement based on a much longer report of the American Council on Education's Committee on the Financing of Higher Education for Adult Students. Five major points are emphasized: (1) The pluralism of the United States is reflected in its postsecondary education system and its clientele's educational needs; (2) Part-time students are the new majority in postsecondary education; (3) Their educational motivations are more complex than full-time students; (4) Their financing patterns range from the most advantaged to the most disadvantaged students; (5) A larger proportion of part-time than full-time students have family incomes below $15,000. Yet they are discriminated against by postsecondary institutions in tuition and student aid programs, by state and federal governments in institutional and student support programs, and by certain provisions of tax laws. It is suggested that prior to any examination of alternative financing programs for postsecondary education, it is essential that discrimination against part-time students be eliminated. (Author/MJM)

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FINANCING PART-TIME STUDENTS:
THE NEW MAJORITY IN POSTSECONDARY EDUCATION

by

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INTRODUCTION

This paper is a capsule statement based on a much longer report of the American Council on Education's Committee on the Financing of Higher Education for Adult Students. Some of the most crucial data in that report are based on the Office of Education's first two triennial surveys of adult education in the United States which were taken in 1969 and 1972. The surveys are in the process of publication and will be available nationally when ready. The surveys, which used a sample of 105,000 persons, were conducted by the Bureau of the Census for the National Center for Educational Statistics in the Office of Education. They constitute by far the most comprehensive and significant set of data ever compiled in the field of part-time postsecondary education.

ENROLLMENTS AND FINANCING PATTERNS

Postsecondary education* in the United States is as pluralistic as the society it serves. That fact must be the beginning point for any analysis of the financing of postsecondary education in the United States.

Postsecondary education's range of activities is broad and diverse:
--from education for an elite group of very bright students to training programs for relatively low-skilled persons;
--from "how to" programs in technical and mechanical subjects to advanced postdoctoral continuing education programs for physicians, surgeons, aerospace physicists and electronics engineers;
--from regular daytime and nontraditional degree programs for full-time students to programs for part-time students in evening and weekend colleges and in special and external degree programs for students throughout the world;
--from noncredit programs for associational groups in hotels to programs for medical professionals in hospitals, for farmers on farms, for engineers in manufacturing plants, for teachers on campuses and in school rooms, for clergy and parishoners in churches and temples, and for the general public through radio, television, cable, satellite, correspondence, cassettes and person-to-person contacts as well as in traditional class rooms and laboratories.

The number of people who participate in postsecondary programs of all types is impressive--on the order of 27-28 million. Yet public and private policy regarding the financing of postsecondary education is largely dictated by

* In the ACE study, postsecondary education was defined as having four components: 1. programs at collegiate institutions; 2. programs at noncollegiate educational institutions; 3. organized postsecondary level instruction in organizations whose clientele groups are primarily their own employees or members, e.g., business concerns, government agencies, labor unions, professional associations; 4. other programs for persons beyond compulsory school age but not at postsecondary level of institution, e.g., adult basic education and secondary school adult education.

a view that the only real students who ought to demand our attention are those full-time students who enter postsecondary institutions in regular programs after completing high school.

In this paper, we will suggest three considerations: first, that alternative forms of financing postsecondary education must carefully consider the needs of current clientele groups in postsecondary education; second, that discriminatory practices in the current system must be eliminated as a priority consideration; and third, that financing policies for postsecondary education must be based on the pluralistic needs of our society rather than on a monolithic solution based on a simplistic view of the characteristics and financing needs of postsecondary clientele groups.

Postsecondary education can be classified into three program categories: 1) regular and nontraditional degree, diploma and certificate programs for full-time students; 2) degree or nondegree credit programs for part-time students; and 3) short-term noncredit programs for part-time students.

Of central importance in this classification scheme is the fact that the part-time student body has become the new majority in postsecondary education: according to USOE's 1969 and 1972 triennial surveys of part-time students in postsecondary education, part-time students comprised 55 percent of the total postsecondary student body in 1969 (13,041,000 part-time students versus 10,154,000 regularly enrolled full-time students); and by 1972 this proportion had increased to 57.5 percent part-time (15,734,000 vs. 11.602,000). In collegiate institutions in 1972 the number of part-time students was approximately half the total enrollments (5.93 million part-time versus 5.81 million regularly enrolled full-time).

Even more significantly, between 1969 and 1972, the number of part-time postsecondary students increased at a rate 2.3 times faster than full-time students (20.4 percent part-time vs. 8.8 percent full-time) and part-time students in collegiate institutions increased at a rate 3.5 times faster than for full-time students (35.3 percent versus 10.1 percent). It is evident that we can no longer

ignore part-time students in policy making for postsecondary education.

Part-time students are not simply full-time students taking less than a full-time course load. On the contrary, a major proportion of part-time students have significantly different motivations and financing patterns than full-time students. One group attends postsecondary institutions for personal, individual motivations and goals as do most full-time students, but other elements of the part-time student body also participate on the basis of other motivations which distinguish them from full-time students and deeply affect financing needs and requirements.

A second group of part-time students consists of professional and occupational groups who participate in postsecondary education because of salary incentives, or licensing and certification requirements of governmental agencies or professional associations. Teachers, police officers, doctors, nurses, engineers and dentists are but a few of the occupational and professional groups who participate in continuing education in significant numbers because of salary incentives or legal and professional certification requirements. For example, 70.2 percent of the nation's 1,710,000 teachers, who in every state have some kind of salary incentive or certification requirement to take additional coursework, reported taking some type of part-time college study during the three years prior to a 1965-66 survey by the National Education Association, and 61.1 percent of the nation's 2,062,000 teachers reported similar activity in the three years prior to 1970-71. In a national survey of noncredit professional continuing education in 1967-68, USOE reported that there were 921,015 registrations in a wide variety of noncredit programs for professional groups, of which teachers and other educators comprised 31 percent.

A third group of part-time students with different motivations are those employees who participate in organizational programs of governmental agencies, corporations, labor organizations and other organizational types. These programs are financed by the organizations and are for organizational objectives. In 1972, the USOE triennial survey reported that 2,613,000 persons participated in employer

programs and another 1,996,000 participated in programs operated by community organizations. Overall 4,076,000 of the 15,734,000 part-time students, or 25.9 percent, reported that they were financed by their employers, at least in part.

In the Federal Government, each year since FY 1967 almost one million civilian federal employees out of a total of three million have participated in a broad range of postsecondary education programs financed by the government. Most large business corporations finance educational programs for their employees. A 1964 survey by the National Industrial Conference Board revealed that 65 percent had tuition aid programs for their employees. The Board estimates that the percentage is significantly higher today. In 1969 a U.S. Bureau of Labor Statistics study indicated that 344 of 1,823 major collective bargaining agreements contained training, retraining and tuition aid provisions for union members.

A fourth and final group of part-time students are those recruited into federal categorical problem-solving programs. In 1972 there were 168 such programs with extension and continuing education components. They covered professional and paraprofessional staff, the general public or targeted categories of recipients. These programs were funded for $1.02 billion and included 45 programs for the education professions, 33 for health professions, 17 for social welfare, 11 for environmental control, and lesser numbers for aging, agriculture, business, community development, drug abuse, humanities, law enforcement, manpower, nuclear energy and science. Although totals of participants in these programs have not been compiled, we know that agricultural extension alone with an overall budget of $385 million has a clientele group composed of much of the rural community in the United States as well as agricultural producers and marketers, and more recently nutrition aid and 4-H participants in urban areas, literally totaling as many people as all the full-time and part-time students who are normally counted as enrolled students.

It is evident that each of these groups comprises a significant proportion

of the total postsecondary student body.

Some of these students are the most advantageously financed of all postsecondary students, e.g., when their employers or the Federal Government pay all educational costs plus salaries. Professional groups, on the other hand, are generally quite capable of financing their own continuing education activities and their expenses are tax deductible.

Most of the federal problem-solving programs (62 percent) were fully funded by the Federal Government, the balance required a dollar match ranging from 5 to 100 percent. Of the latter only 4 percent required a match by the participant.

The level of financing is not necessarily a crucial factor in categorical problem-solving programs. Many of the most important current federal programs would never have come into existence if student aid funds had been provided to their clientele groups. For example, if every farmer and member of his family had been provided two or four years access to postsecondary education, there is virtually no chance whatever that the highly effective Cooperative Extension Service could have been created from a financial base of farmers' tuition fees. Indeed, in the early days, farmers in many cases had to be lured into using the free extension services by wives and children who were participating in home economics and 4-H activities of extension.

The same holds true in contemporary drug abuse education, environmental education, law enforcement assistance, water pollution control, allied health education, and other categorical problem-solving programs of the Federal Government. Institutional financing is a crucial element in the building of strong programs in these fields.

But not all part-time students are in an advantageous financial situation. On the contrary, the evidence indicates that collegiate institutions and state and federal governments practice massive discrimination against part-time students in spite of the fact that the proportion of part-time students with family income below $15,000 is significantly lower than for full-time students (72.4

percent part-time vs. 62.2 percent full-time according to the 1972 Census of Population).

This discrimination takes many forms:

1. The Basic Opportunity Grant program is currently limited to full-time freshman and sophomore students.
2. Supplementary grants are open to part-time students but they seldom qualify because BOG's, for which they do not qualify, are generally a part of the package of aids provided by an institution at the discretion of the institution.
3. Part-time students have been eligible for student loan programs, but they have not been able to participate proportionately to their enrollments in postsecondary institutions: only 6.6 percent of the recipients of guaranteed student loans since the inception of the program have been part-time students; and only 11.9 percent of National Direct Student Loans in FY 1971 and 22.5 percent in FY 1972 were awarded to part-time students.
4. None of the $ .5 billion annual expenditure in social security benefits for schooling of children of retired, disabled, or deceased parents has been available for dependents participating in postsecondary education on a part-time basis.
5. Of 28 states with some type of needs-based student aid program, only four--Connecticut, Maryland, Tennessee, and Wisconsin--provide any eligibility for part-time students.
6. In a recent survey by the American Association of State Colleges and Universities, public institutions in 12 of 23 responding states reported that no state funds were appropriated for off-campus credit programs for part-time students.
7. In a 1970 survey of its member institutions by the National University Extension Association, 46 percent of public institutions indicated that state appropriations for general extension and continuing education divisions ranged from 0 to 25 percent of budgeted expenses. Only one state, Georgia, is known to provide funding for academic instruction, research, and administration for all part-time credit students on an FTE formula basis and administrative funds for noncredit students on the basis of FTE continuing education units although Virginia and Tennessee have taken first steps in this direction.

8. Collegiate institutions contribute to this discrimination: 34 percent of the 1,178 institutions surveyed by the Commission on Nontraditional Study in 1972 made no financial aid available to part-time students. In a recent American Council on Education survey, 58.6 percent of collegiate institutions charged part-time students higher tuition rates than full-time students; 66.9 percent of public institutions discriminate against part-time students in this way.

9. There is even discrimination in federal student aid policies within the post-secondary education community. Collegiate students in certificate programs are ineligible for student aid even when their programs are equivalent to diploma programs at noncollegiate institutions.

10. Federal and many state tax policies allow deductions for educational expenses only when an educational activity maintains or improves an employee's current job skills. Thus part-time students who are ineligible for student aid grants must pay taxes on income used as tuition payments in programs not directly job-related, while full-time students who receive student aid are exempt from taxes on their grant income, regardless of whether their programs are job or career-related.

RECENT ALTERNATIVE PROPOSALS

The deficiencies of our current system for financing postsecondary education are manifest. But what of the alternatives?

Most of the current alternative financing plans in Europe and the United States are student-based; most deal primarily with full-time students in degree or diploma programs; but, many have recognized the need for financial support throughout an individual's lifetime. These aid plans basically fit into three categories: universal grants or voucher systems; entitlement/payroll tax plans, and expanded loan programs which include an income-contingency feature.

Few proposals, except the wide-ranging Carnegie Commission reports and the proposal of the College Scholarship Service on the financing of low-income and minority students, take a differential approach to postsecondary clientele groups, especially as they relate to part-time students. None gives any specific consideration to noncredit student programs. Mostly the proposals consider the needs of students as individuals with individual motivations and not as members of occupational or professional groups, or as participants in organizational employer programs or in categorical public problem-solving programs.

SOME SUGGESTED ALTERNATIVES

I believe that there are four general principles which should govern the choice of alternative proposals for financing postsecondary education.

1. The available data indicate that, the pluralistic nature of American society and its postsecondary education system, and, in particular, the special characteristics of the part-time student body can best be served by a pluralistic financing approach.
2. Postsecondary institutions, especially colleges and universities, have a primary responsibility for developing greater equity in financial aid to part-time students, both on- and off-campus.
3. To enable postsecondary institutions to assume their obligations toward part-time students, state and federal governments have an equal responsibility for developing equitable policies toward part-time students in institutional and student support programs.
4. State and federal governments, employer organizations and occupational and professional groups must provide adequate incentives to employees and members of the professions to continue their education without direct public subsidies.

These principles suggest five specific proposals as priority alternatives for financing postsecondary education.

1. Postsecondary institutions, especially colleges and universities, must move quickly to equalize tuition rates for part-time and full-time credit students on a proportionate student-course-load basis. They must provide eligibility to part-time credit students in all student aid programs, especially in student aid "packages," so that part-time student needs can be met, whether or not they are legally included in all publicly-funded, student aid programs.
2. State and Federal Governments must include part-time credit students in all student-based aid programs. They must also include in institutional support formulas to public and private institutions part-time credit students on a full-

time equivalency continuing education unit basis. The continuing education unit is now a nationally accepted way of measuring instructional hours in noncredit programs and as noted above is being used in Georgia in the state's institutional support formula and is in the beginning stages of use in the States of Virginia and Tennessee.

3. State and federal governments must provide eligibility to part-time students in certificate and credit programs as a matter of right for qualified students and not as an institutional discretionary power.

4. The Federal Government should expand, not decrease, its targeted non-credit, postsecondary programs to achieve desirable social purposes. This should be done on a long-range basis through institutional support to build effective delivery systems for part-time students directed toward those groups whose education and training would serve the public interest. Congress should fund the development of these institutional delivery systems in the same way it has looked upon delivery systems for agriculture and medical health related programs. The funding of institutional capabilities for extending institutional resources to high priority clientele groups can maximize the targeting of educational programs for those with special needs at the same time that institutional strengths are reinforced and expanded. Experience with the Cooperative Extension Service indicates that this approach does not require massive governmental bureaucracies at federal or regional levels nor does it deny the benefits of decentralization of programming to deal with local needs.

5. Individuals and private organizations, especially employer groups, should be encouraged to fund their continuing education needs by private means or through tax incentives. Several major techniques for accomplishing this objective are currently available:

a. Adoption by employers of salary incentives for employee educational achievement. This has been a staple in teacher education for decades and is currently spreading to police, fire and other public service occupations.

b. Enactment of requirements for continuing education in relicensing and

professional certification criteria by state licensing agencies and professional associations. This is moving rapidly toward general acceptance in professional and occupational groups.

c. Special tax incentives to employer organizations to pay for employee part-time programs at accredited postsecondary institutions.

d. Special tax incentives to employed persons for educational costs whether or not directly related to maintaining or improving current occupational skills.

SUMMARY

The pluralism of the United States is reflected in its postsecondary education system and its clientele's educational needs.

Part-time students are the new majority in postsecondary education.

Their educational motivations are more complex than full-time students.

Their financing patterns range from the most advantaged to the most disadvantaged students.

Overall, a larger proportion of part-time than full-time students has family incomes below $15,000. Yet they are massively discriminated against by postsecondary institutions in tuition and student aid programs, by state and federal governments in institutional and student support programs, and by certain provisions of our tax laws.

In any examination of alternative financing programs for postsecondary education, it is essential that we first eliminate past discrimination against part-time students before we explore further changes in programs restricted to full-time students. The evidence already is in that the future of higher education lies in the accelerating growth of part-time student clientele groups.